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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY Rumania

SUBJECT Sovromutilaj - Rumanian Manufacturing Trust

REPORT N

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THIS IS UNEVALUATED INFORMATION

1. Sovromutilaj is a Soviet - Rumania trust formed in August 1952 for the purpose of manufacturing for local use or for export, machine tools, oilfield equipment, pipes, pumps, etc. Apparently, the trade ban applied by the West has created a serious shortage of machinery and equipment forcing the government into supplying needs with local manufacture.

2. This trust is composed of seven subtrusts represented by former repair and machine shops of nationalized oil companies and the Resita plant.

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<u>Sub-trust No</u>	<u>Location</u>	<u>Former Ownership</u>
1	Teleajen	Romano-American (Jersey-USA)
2	Bacau	Steaua-Romana (British-French-Romanian)
3-4	Ploesti	Concordia (German -formerly Belgian-French)
5-6	Campina	Astra Romana (Royal Dutch-Shell)
7	Resita	Rumanian State (majority ownership)

3. The number of the workers employed by Sovromutilaj is not available at present, but it may be assumed to be large for the following reasons listed in the order of their importance:

- (a) the Communist system of employing large number of supervisors, checkers, etc;
 - (b) lack of skilled labor and machinery.

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- (c) worn-out equipment under constant repair;
 (d) increased plant capacity of subtrusts No 1-3-4 and perhaps others.

4. Some indication of the tremendous increase in personnel is conveyed by the report according to which subtrusts No 3-4 Ploesti, formerly belonging to Concordia, at present employ eight thousand workers as against about one thousand in the prenationalization period..
5. Because of lack of imports the plants are being ordered to manufacture some specialized equipment for which they are not properly equipped. Also, the manufacture of certain types of equipment is being spread out among many plants indicating a lack of specialized plant capacity.
6. Due to the low quality of the material and equipment manufactured locally, the accident frequency rate increased considerably. For these reasons, the cost of labor and manufacture has gone up to such an extent that the Government was forced to inaugurate a serious campaign for reducing costs.
7. According to the "Scanteis", the chief Communist daily, of 20 Feb 53, the Resita plant (No 7) exceeded the program up to 1 Feb 53, on the production of pump units and mud pumps for the oil industry by 13.7 percent and 16.6 percent, respectively. In the absence of detailed data in this respect, this information is, of course, meaningless. The honorable title of "Stalhanovite" was granted to 13 workers in this plant during January 1953.
- 25X1 8. [REDACTED] Sovromutilaj is circulating in the West, an export catalogue of equipment manufactured by them, which appears to be a copy of US catalogues. This may represent more of a propaganda gesture than ability to export.

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